

Message Text

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60

ACTION AF-18

INFO OCT-01 ISO-00 INT-08 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

SP-03 CIEP-02 LAB-06 SIL-01 OMB-01 NSC-07 SS-20

STR-08 CEA-02 PA-04 PRS-01 USIA-15 DRC-01 TAR-02 /163 W

----- 108510

R 101542Z MAY 74

FM AMEMBASSY LUSAKA

TO SECSTATE WASHDC 129

AMEMBASSY DAR ES SALAAM

AMCONSUL LUANDA

AMEMBASSY NAIROBI

AMEMBASSY BLANTYRE

AMCONSUL LOURENCO MARQUES

C O N F I D E N T I A L LUSAKA 0895

EO 11652: XGDS-1

TAGS: ETRN, ZA

SUBJECT: EAST AFRICAN PORT CHARGES

1. RECENT EAST AFRICAN HARBOR CORP. (EAHC) ADOPTION
400 TO 600 PERCENT INCREASE IN PORT HANDLING AND OTHER
CHARGES AT MOMBASA AND DAR CAUGHT GRZ, SHIPPING, COPPER
AND OTHER ENTERPRISES UNAWARE AND HAS CAUSED THEM
CONSIDERABLE CONCERN. INDUSTRY AND GRZ ESTIMATES BASED
ON NEW CHARGES IN EFFECT AS OF MAY 1 INDICATE ZAMBIA'S TOTAL
ANNUAL IMPORT PROCESSING COSTS IN EAST AFRICAN PORTS WILL
INCREASE FROM 12.5 MILLION DOLLARS IN 1973 TO 78
MILLION IN 1974. DEPENDING ON LME PRICE, COPPER
EXPORT COSTS AT THOSE PORTS EXPECTED TO RISE BETWEEN
6.9 AND 12.5 MILLION DOLLARS. DAR CHARGES WILL BE
APPROXIMATELY NINE TIMES LOBITO'S EVEN AFTER
EXPECTED 35 PERCENT INCREASE IN LEVIES AT THAT PORT
DUE RECENT LONGSHORE WAGE AGREEMENT. SHIPPERS HERE
CONCERNED THAT SIZE OF DEPOSITS NOW REQUIRED ON GOODS
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PASSING THROUGH DAR AND MOMBASA WILL CREATE FINANCE

PROBLEMS WHICH COULD LEAD TO INTERRUPTIONS IN CAPITAL AND CONSUMER GOODS IMPORTS.

2. PROSPECTS FOR SHIPPING MAXIMUM POSSIBLE TRAFFIC THROUGH LOBITO BEING CLOSELY EXAMINED. MAY 9 TIMES ASSERTED GRZ WOULD NOT SUBMIT TO "BLACKMAIL" AND COPPER COMPANIES WILL SHIFT EXPORTS AWAY FROM DAR AND MOMBASA. NO STEPS YET TAKEN TO MAKE THIS SHIFT, HOWEVER.

3. MINISTER OF STATE FOR POWER, TRANSPORT AND WORKS MWALE IN EAST AFRICA THIS WEEK FOR DISCUSSION OF PROBLEM. ACCORDING PRESS REPORT MAY 10, ZAMBIAN FOREIGN MINISTER MWAANGA STATED IN DAR THAT GRZ DELEGATION WILL GO TO DAR NEXT WEEK FOR FOLLOW UP.

4. FOR DAR AND NAIROBI: WOULD APPRECIATE COMMENT RE MOTIVATION AND NEED FOR NEW EABC CHARGES AND PROSPECTS FOR MODIFICATION.

5. FOR LUANDA: WOULD APPRECIATE YOUR VIEWS ON INDUSTRY ESTIMATES HERE THAT IT POSSIBLE INCREASE COPPER EXPORT OVER BENGUELA RAILROAD AND THROUGH LOBITO FROM PRESENT 36,000 TONS TO AS MUCH AS 55,000 TONS.

6. FOR BLANTYRE AND LORENCO MARQUES: WOULD APPRECIATE INFO RE POSSIBILITY OF INCREASED ZAMBIAN TRAFFIC BEIRA/NACALAAMALAWI ROUTE.
WILKOWSKI

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CARGO HANDLING, MARINE CARGO, COPPER, EXPORTS, PORT CHARGES, RAIL TRANSPORTATION
Control Number: n/a
Copy: SINGLE
Draft Date: 10 MAY 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GarlanWA
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974LUSAKA00895
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: X1
Errors: N/A
Film Number: D740115-0275
From: LUSAKA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740558/aaaabzkd.tel
Line Count: 90
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION AF
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GarlanWA
Review Comment: n/a
Review Content Flags:
Review Date: 27 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27 AUG 2002 by boyleja>; APPROVED <11 FEB 2003 by GarlanWA>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EAST AFRICAN PORT CHARGES
TAGS: ETRN, ZA, XW, EAST AFRICAN HARBOR CORP, EAHC
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005